

## **INVESTMENT SUB-COMMITTEE (the ISC): Terms of Reference**

### **Objectives**

- To operate in accordance with the Terms of Reference;
- To monitor all the investments and areas of concern;
- To monitor performance against benchmarks.

### **TERMS OF REFERENCE**

1. The Investment sub-committee will comprise two or more trustee directors, the UK Pensions Manager and a representative of the Company. Input will be sought from other areas such as the Company or third party advisers / administrators as deemed necessary. The Committee may take advice from external advisers as and when required. Guests may attend Committee meetings by invitation but they will not be included in the number necessary for a quorum and may not exercise voting rights. Any Trustee Director is entitled to attend a meeting of the Committee without invitation but will not be included in the number necessary for a quorum and may not exercise voting rights. The Trustee Board may change the composition of the Committee or amend the appropriate Terms of Reference at any time.
2. The Sub-Committee will make recommendations to the Trustee Board, or, as the Sub-Committee consider necessary, take relevant decisions for ratification at a subsequent board meeting .
3. The Sub-Committee will meet regularly as deemed appropriate.
4. Any meeting will be quorate with two members, one of whom must be the AB InBev representative.
5. Any agenda will be published for the whole Trustee Board prior to any Sub-Committee meeting. The agenda and papers for any meeting must be issued at least 5 working days before the meeting.
6. The minutes of any Sub-Committee meeting will be attached as an item to the papers for the quarterly Trustee meetings. If requested to do so by the Trustee Board, a member of the Sub-Committee will give a presentation on its activities at the Trustee meeting. Minutes / action points must be prepared for any quarterly meeting / interim catch-up within 10 working days of the meeting.
7. Members of the Sub-Committee can communicate by e-mail and telephone in order to make decisions. Decisions can be made by a majority (i.e. by the agreement of two of the Sub-Committee members, one of whom must be the AB InBev UK Pensions Manager.

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8. Each sub-committee will work within the boundaries as established through regulatory / legislative and compliance guidelines.
9. Each Sub-committee will be responsible for ensuring that all parties with whom they engage has appropriate disaster recovery / Business Continuity Programs in place which are regularly tested.
10. The Sub-Committee shall undertake an annual review of its objectives and terms of reference and will report back to every trustee meeting its progress against its annual objectives.
11. The Sub-Committee's delegated responsibilities include monitoring, making formal recommendations and some decision making as defined in this document. The Sub Committee is required to reference any business to the Trustee Board if a) In the Chair's opinion a consensus cannot be reached in relation to any significant matter (e.g. member communication or IDRs) or a decision impacts on an area outside the remit of the Sub Committee. b) Concerns are expressed over the performance of an external adviser. c) Any changes are proposed to the Sub Committee's Terms of Reference.
12. The Sub-Committee will review all appropriate entries in the risk register at least triennially and additionally will review individual risks in line with the risk register's agreed "Next Review Date" on a bi-annual basis.
13. If the AB InBev representative is not present at any meeting but, provided that the UK Pensions Manager is present, the ISC can meet for the purpose of sharing information and formulating proposals. If at any such meeting, a proposal is formulated, then the Chair of the ISC will explain this proposal to the Company and will obtain the Company's agreement before presenting the proposal to the full trustee board
14. The Investment sub-committee will produce an annual investment report for inclusion in the Trustee's Annual Report and Accounts and a further report for inclusion in the summary report
15. At its regular meetings the Investment sub-committee will:
  - a. Put together advice to the Trustee Board on all matters relating to the investment of the assets of the AB InBev UK Ltd Pension Plan (the "Plan") and ensure the trustee board has the knowledge and understanding to take the decisions requested;
  - b. Review the performance of the investment managers to the Plan against predetermined targets (to be recommended by the Investment sub-committee and approved by the Trustee Board);
  - c. Review the suitability of the investment managers at least every three years, and to make recommendations on the appointment and removal of suitable managers and

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advisers;

- d. Ensure that the investment managers appointed by the Trustee Board are informed of, and follow, the agreed strategies of the Plan;
  - e. Maintain the Plan's Statement of Investment Principles, and ensure that the investment managers comply with it;
  - f. Seek assurance that the Investment managers and the custodians of the Plan's assets are operating in the ways described when selected by the Trustee Board, and that it have proper and adequate systems in place for the recording and safekeeping of these assets and the income there from;
  - g. Undertake such other Investment related responsibilities as may be agreed from time-to-time with the Trustee Board.
  - h. Consider other investment matters of relevance, and report to the Trustee Board as appropriate.
16. The Investment sub-committee will tackle ad-hoc financial matters as determined with the Trustee board.
17. The Investment sub-committee will, on behalf of the Trustee Board, take any investment-related decisions the sub-committee regard as necessary to be implemented prior to the next full Trustee Board meeting.
18. The Chairman of the ISC will execute any tactical decisions requested by AB InBev Treasury in line with the authorities in the appendix to the Guarantee Agreement.

In terms of decisions made under clauses 10, and 11, the Chairman of the ISC will notify all Trustees of any decision and its rationale within 3 working days of such decision.

All decisions, and their rationale, will be explained by the Company at both the following ISC and Trustee meetings.